

Message Text

UNCLASSIFIED

PAGE 01 JAKART 11757 310907Z

ACTION EA-12

INFO OCT-01 ISO-00 EB-08 SSO-00 OES-07 FEA-01 ERDA-07

ERDE-00 /036 W

-----126163 310911Z /15

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FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC IMMEDIATE 3567

USDOC WASHDC

INFO AMEMBASSY SINGAPORE

AMCONSUL MEDAN

AMCONSUL SURABAYA

UNCLAS JAKARTA 11757

USDOC FOR MEPD

EO 11652: NA

TAGS: BEXP, ID, EMIN, ENRG

SUBJ: MAJOR PROJECTS: SUMATRAN INTEGRATED COAL PROJECT

REF: (A) JAKARTA 11452, (B) JAKARTA 11663

1. SUBJECT TENDER (REF A) REPRESENTS IMPORTANT FIRST STEP IN GOI'S LONG-RANGE ENERGY PLAN OF DEVELOPING NON-OIL RESOURCES FOR DOMESTIC ENERGY CONSUMPTION DURING COMING DECADES. SUCCESSFUL BIDDER ON THIS TENDER WILL DESIGN AND DEVELOP SPECIFICATIONS THAT WILL INFLUENCE SUBSEQUENT EXECUTION OF THIS PROJECT WHICH COULD INVOLVE EXPENDITURES UP TO \$800 MILLION.

2. ISSUANCE OF THIS TENDER FOR REHABILITATION OF BUKIT ASAM COAL PROJECT IN SOUTH SUMATRA SPOTLIGHTS GOI EFFORTS TO INCREASE DOMESTIC COAL CONSUMPTION TO 2 MILLION TONS BY 1984 (PRESENT LEVEL: LESS THAN 200,000 MT). WHILE THIS PROJECT HAS BEEN UNDER DISCUSSION FOR SOME TIME, RECENT CONCERN ABOUT FUTURE INDONESIA'S OIL RESERVES APPEARS TO HAVE GIVEN IT GREATER URGENCY. COAL RESERVES AT BUKIT ASAM ARE UNCLASSIFIED

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ESTIMATED AT APPROXIMATELY 100 MILLION TONS OF STEAM COAL (9.9 PERCENT MOISTURE, .13 PERCENT SULFUR, 6670 CAL/KG). BUKIT ASAM WAS DEVELOPED BY DUTCH MANY YEARS AGO BUT HAS BEEN NEGLECTED OVER PERIOD OF DECADES TO POINT WHERE 1976 PRODUCTION TOTALLED ONLY 183,000 MT.

3. OIL AND GAS DIRECTOR WIJARSO, CONCURRENTLY CHAIR-

MAN OF TECHNICAL COMMITTEE OF ENERGY POWER RESOURCES,
HAS INDICATED THAT TENDER REPRESENTS FIRST STEP IN GOI
PLAN TO
GET DUAL-FIRED GENERATING SYSTEM ON LINE PER-
HAPS AS EARLY AS END OF DECADE. INDONESIANS HAVE SELECTED
SITE AT ANYER IN WEST JAVA, NEARBY TO KRAKATAU STEEL
COMPLEX, FOR DEVELOPMENT OF TWO 375 MW POWER STATIONS.

4. EMBASSY WISHES TO STRESS THAT TENDER REPRESENTS
GOLDEN OPPORTUNITY FOR U.S. FIRMS TO GET IN AT GROUND
FLOOR OF VERY MAJOR, LONG-TERM PROGRAM FOR DEVELOPMENT
OF INDONESIA'S NON-OIL ENERGY RESOURCES.
RIVES

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Copy: SINGLE
Sent Date: 31-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Secure: OPEN
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